

Message Text

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PAGE 01 CAIRO 06144 01 OF 02 251542Z
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 /019 W
-----042080 251546Z /40
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TO USDOC WASHDC
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UNCLAS SECTION 01 OF 02 CAIRO 06144

E.O. 11652: N/A
TAGS: BEXP, EG
SUBJECT: OVERSEAS BUSINESS REPORT (OBR): MARKETING IN
- EGYPT.
REF: (A) CAIRO 03189, (B) USDOC 03402
FOLLOWING ARE FURTHER COMMENTS ON DRAFT OBR:

(1) PAGE 19, SECOND PARA: SHOULD READ: "THE GOVERNMENT UNDERTOOK TO ATTEMPT TO REDUCE THE SIZE OF THE BUDGET DEFICIT, RESTRAIN DOMESTIC CREDIT EXPANSION, AND STIMULATE SAVINGS. THE INTERNATIONAL MONETARY FUND (IMF) OFFERED FINANCIAL ASSISTANCE TO EGYPT IN 1977, SUBJECT TO PERIODIC REVIEWS OF GOE PERFORMANCE IN MOVING TOWARD DESIRABLE MONETARY/FISCAL POLICIES. THE BALANCE OF PAYMENTS DEFICIT...ETC."

(2) PAGE 20, PARA 1: DELETE NEXT TO LAST SENTENCE, BEGINNING "AT TIME OF..."

(3) PAGE 22, PARA 1: SUGGEST LAST SENTENCE READ:
"... AND MORE THAN 60 PERCENT OF EXPORTS...ETC."

(4) PAGE 23, PARA 2: CHANGE TO "... BY PERHAPS 2.5 PERCENT ANNUALLY..."

(5) PAGE 29, PARA 2: CHANGE LAST SENTENCE TO READ:
"GOE OFFICIALS HAVE ACKNOWLEDGED THAT THE BURDEN OF SUBSIDIES ON VARIOUS GOODS AND COMMODITIES WAS MORE THAN L.E. 440 MILLION IN 1976 (MORE THAN US\$ 1 BILLION
UNCLASSIFIED

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PAGE 02 CAIRO 06144 01 OF 02 251542Z

AT THE OFFICIAL RATE OF L.E. 1 EQUALS \$2.56)."

(6) PAGE 31: SUGGEST CHANGING "ONE-THIRD" TO "ONE-FOURTH" TO BE CONSISTENT WITH FIGURE GIVEN PAGE 28.

(7) PAGE 32, PARA 1: CHANGE TO "THE EGYPTIAN GOVERNMENT HAS INDICATED THAT IT INTENDS TO SELL ITS COTTON, TO THE EXTENT POSSIBLE, FOR HARD CURRENCY."

(8) PAGE 32, PARA 2: CHANGE TO "A CONSIDERABLE AMOUNT OF THE VALUABLE ELS COTTON HAS BEEN USED BY EGYPT'S TEXTILE INDUSTRY FOR LOW-PRICED FABRICS AND CLOTHING PRODUCED FOR DOMESTIC CONSUMPTION. IN AN EFFORT TO MEET DOMESTIC NEEDS AND MAKE BETTER USE OF ELS COTTON RESOURCES, EGYPT HAS RECENTLY EXPANDED ITS PURCHASES OF SHORTER STAPLE U.S. COTTON FOR USE IN GOODS DESTINED FOR THE DOMESTIC MARKET, THUS RELEASING...ETC.

(9) PAGE 34, PARA 2: SHOULD CLARIFY WHETHER WHEAT FLOUR EQUIVALENT IS INCLUDED IN FIGURES.

(10) PAGE 34, LAST PARAGRAPH: PRICE OF "BALADY" BREAD SHOULD READ L.E. .04 PER KILO.

(11) PAGE 37, PARA 2: FIGURE FOR SUBSIDIZED PRICE SHOULD BE L.E. .05 AND FOR RETAIL PRICE, L.E. .15.

(12) PAGE 42, PARA 1, SENTENCE 2: SUGGEST CHANGE TO "PROJECTION FOR 1977 PRODUCTION IS ABOUT 755,000 TONS, WITH 200,000 TONS OF ORANGES TO BE EXPORTED."

(13) PAGE 43: PRICE OF SUBSIDIZED MEAT SHOULD READ: L.E. .70 (VICE .07) PER KILO. FIGURE FOR FROZEN MEAT PURCHASES SHOULD BE 58,000 TONS.

(14) PAGE 46: FIGURE USUALLY QUOTED PUBLICLY FOR NUMBER OF COMPANIES AFFILIATED WITH MINISTRY OF INDUSTRY IS 112.

UNCLASSIFIED

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PAGE 03 CAIRO 06144 01 OF 02 251542Z

(15) PAGE 48, LAST SENTENCE: CORRECT NAME OF BANK IS "DEVELOPMENT INDUSTRIAL BANK".

(16) PAGE 54, PARA 2: CHANGE SENTENCE 2 TO "... WORLD BANK AND ARAB SOURCES..."; SENTENCE 6, CHANGE "UNDER-TAKEN" TO "CONSIDERED"; DELETE SENTENCE 7.

(17) PAGE 58, PARA 2, LAST SENTENCE: DELETE "... A CON-SORTIA OF ...ETC."

(18) PAGE 58/59: LAST SENTENCE BEGINNING PAGE 58 SHOULD READ: "THE EGYPTIAN RAILWAYS EQUIPMENT CO. (SEMAF) HOPES TO ESTABLISH A NEW RAILROAD PASSENGER CAR MANUFACTURING PLANT, FOR WHICH A.I.D. HAS FINANCED A STUDY." NEXT SENTENCE SHOULD READ: "THE PRESENT PLANT PRODUCES 120 RAILROAD PASSENGER CARS, PLUS A LARGE NUMBER OF FREIGHT WAGONS, AND THE NEW PLANT IS PLANNED FOR A CAPACITY OF 300 PASSENGER CARS."

(19) PAGE 59, LAST PARAGRAPH, LAST SENTENCE: CHANGE TO READ "WITH MAJOR U.S. EQUITY PARTICIPATION TO ACTUALLY BE IN PRODUCTION, ALTHOUGH AN ALUMINUM EXTRUSION FACILITY, WITH SUBSTANTIAL AMERICAN INVOLVEMENT ALSO CAME INTO PRODUCTION LATE IN THE YEAR."

(20) PAGE 60, PARA 3: SHOULD READ: "... LIFTING CAPACITY
SHOULD RISE TO OVER 500,000 B.P.D."

(21) PAGE 60, PARA 4: SHOULD READ: "... AN AVERAGE EXPORT
RATE."

(22) PAGE 61, PARA 1, SENTENCE 1: SHOULD READ: "... ANNUAL
GROSS FOREIGN EXCHANGE EARNINGS..."

(23) PAGE 61, PARA 2: "U.S. IMPORTS OF EGYPTIAN CRUDE OIL
HAVE BEEN RISING ..."

(24) PAGE 61, LAST SENTENCE: CHANGE TO READ: "THESE ARE

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PAGE 01 CAIRO 06144 02 OF 02 251545Z
ACTION NEA-10

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-----042132 251548Z /40

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UNCLAS SECTION 02 OF 02 CAIRO 06144

E.O. 11652: N/A
TAGS: BEXP, EG
SUBJECT: OVERSEAS BUSINESS REPORT (OBR): MARKETING IN
- EGYPT.
REF: (A) CAIRO 03189, (B) USDOC 03402
FOLLOWING ARE FURTHER COMMENTS ON DRAFT OBR:

PRODUCTION-SHARING AGREEMENTS IN WHICH THE FOREIGN COMPANY
PROVIDES ...ETC."

(25) PAGE 62, PARA 2: DELETE SECOND SENTENCE BEGINNING
"ALTHOUGH MANY U.S. ..."; CHANGE THIRD SENTENCE BY DELETING-
"HOWEVER" AND ADDING "... MANY FIRMS TO INVESTIGATE EGYPTIAN
POTENTIAL FURTHER.

(26) PAGE 62, PARA 3: BEGIN WITH "AS A RESULT OF EGYPTIAN
SUCCESS IN ATTRACTING NEW EXPLORATION, DRILLING ACTIVITY
..."

(27) PAGE 64, PARA 1, SENTENCES 2 AND 3: CHANGE TO READ:
"THE ABU GHARADIK GAS FIELD FACILITIES WERE COMPLETED BY
AMOCO IN SPRING 1977. THE 270 KM. GHARADIK-DAHSHURE PIPE-
LINE IS DESIGNED TO PROVIDE POWER ...ETC."

(28) PAGE 65/66, LAST PARAGRAPH: DELETE ALL AFTER "...
DAMAGED IN THE 1973 WAR."

(29) ADDITIONAL COMMENTS FORTHCOMING IN APPROXIMATELY

ONE WEEK. AS USDOC WILL APPRECIATE, LENGTH OF OBR
DOCUMENT, TOGETHER WITH PRESS OF OTHER EMBASSY COMMIT-
MENTS, HAS REQUIRED THAT OUR REVIEW EXTEND OVER CONSID-
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PAGE 02 CAIRO 06144 02 OF 02 251545Z

ERABLE PERIOD OF TIME. EILTS

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Message Attributes

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